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DEPARTMENT OF COMMERCE

International Trade Administration

[C-552-813]

Certain Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of steel wire garment hangers (garment hangers) from the Socialist Republic of Vietnam. For information on the estimated subsidy rates, see the “Suspension of Liquidation” section of this notice.

EFFECTIVE DATE: [Insert Date of Publication in the Federal Register.]

FOR FURTHER INFORMATION CONTACT: Robert Copyak or John Coniff, AD/CVD Operations, Office 8, Import Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-2209 and 202-482-1009, respectively.

SUPPLEMENTARY INFORMATION:

Background

This investigation, which covers 15 programs, was initiated on January 18, 2012.<sup>1</sup> The Petitioners in this investigation are M&B Metal Products Company, Inc., Innovative Fabrication LLC/Indy Hanger, and US Hanger Company, LLC. The respondents in this investigation are: South East Asia Hamico Export Joint Stock Company (SEA Hamico), Nam A Hamico Export

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<sup>1</sup> See Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigation, 77 FR 3737 (January 25, 2011) (Initiation), and accompanying Initiation Checklist.

Joint Stock Company (Nam A), and Linh Sa Hamico Company Limited (Linh Sa) (collectively, the Hamico Companies), and Infinite Industrial Hanger Limited (Infinite) and Supreme Hanger Company Limited (Supreme) (collectively, the Infinite Companies).

#### Period of Investigation

The period of investigation for which we are measuring subsidies is January 1, 2011, through December 31, 2011.

#### Case History

The events that have occurred since the Department published the Preliminary Determination<sup>2</sup> are discussed in the Memorandum to Paul Piquado, Assistant Secretary for Import Administration, Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Steel Wire Garment Hangers from the Socialist Republic of Vietnam (Decision Memorandum).<sup>3</sup>

#### Scope of the Investigation

The merchandise subject to the investigation is steel wire garment hangers, fabricated from carbon steel wire, whether or not galvanized or painted, whether or not coated with latex or epoxy or similar gripping materials, and/or whether or not fashioned with paper covers or capes (with or without printing) and/or nonslip features such as saddles or tubes. These products may also be referred to by a commercial designation, such as shirt, suit, strut, caped, or latex (industrial) hangers.

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<sup>2</sup> See Certain Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination, 77 FR 32930 (June 4, 2012) (Preliminary Determination).

<sup>3</sup> Public versions of all business proprietary documents and all public documents are on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building.

Specifically excluded from the scope of the investigation are (a) wooden, plastic, and other garment hangers that are not made of steel wire; (b) steel wire garment hangers with swivel hooks; (c) steel wire garment hangers with clips permanently affixed; and (d) chrome-plated steel wire garment hangers with a diameter of 3.4mm or greater.

The products subject to the investigation are currently classified under U.S. Harmonized Tariff Schedule (HTSUS) subheadings 7326.20.0020 and 7323.99.9080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

#### Scope Comments

As discussed in the Initiation, we set aside a period for interested parties to raise issues regarding product coverage.<sup>4</sup> However, no parties submitted scope comments on the records of the AD or CVD investigations.

#### Critical Circumstances

In the Preliminary Critical Circumstances Determination, the Department concluded that critical circumstances do not exist with respect to the Hamico Companies, in accordance with section 703(e)(1) of the Tariff Act of 1930, as amended (the Act).<sup>5</sup> However, the Department also concluded that critical circumstances exist for the Infinite Companies and for imports from “all other” exporters of garment hangers from Vietnam.<sup>6</sup> On December 7, 2012, Joobles LLC (Joobles), an importer of garment hangers, submitted comments regarding the Preliminary Critical Circumstances Determination.<sup>7</sup> On December 10, 2012, the Department rejected

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<sup>4</sup> See Initiation, 77 FR at 3737.

<sup>5</sup> See Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Critical Circumstances, 77 FR 73430 (December 10, 2012) Preliminary Critical Circumstances Determination.

<sup>6</sup> Id.

<sup>7</sup> See Joobles December 7, 2012, submission.

Joobles' critical circumstances submission because it contained untimely-filed factual information.<sup>8</sup> The Department invited Joobles to resubmit its comments with the untimely-filed factual information removed; however, Joobles did not resubmit its comments. The Department has otherwise received no other comments.

Because there are no comments on the record, we have not changed our findings from the Preliminary Critical Circumstances Determination. Therefore, in accordance with section 705(a)(2) of the Act, we continue to find that critical circumstances exist with respect to imports from the Infinite Companies and "all other" exporters of garment hangers from Vietnam.

#### Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs submitted by parties in this investigation are addressed in the Decision Memorandum, dated concurrently with this notice. The Decision Memorandum is hereby incorporated in the final review results. A list of the issues raised is attached to this notice as Appendix I. The Decision Memorandum is a public document and is on file electronically via IA ACCESS. In addition, a complete version of the Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

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<sup>8</sup> See the Memorandum to the File, "Rejection Untimely Data from Joobles LLC," (December 10, 2012).

### Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we have calculated an individual rate for each producer/exporter of the subject merchandise investigated. We determine the total net countervailable subsidy rates to be:

Producer/Exporter	Net Subsidy <u>Ad Valorem</u> Rate
South East Asia Hamico Export Joint Stock Company (SEA Hamico), Nam A Hamico Export Joint Stock Company (Nam A), and Linh Sa Hamico Company Limited (Linh Sa) (collectively, the Hamico Companies)	31.58
Infinite Industrial Hanger Limited (Infinite) and Supreme Hanger Company Limited (Supreme) (collectively, the Infinite Companies)	90.42
All Others	31.58

Section 705(c)(5)(A)(i) of the Act states that for companies not individually investigated, we will normally determine an all others rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable subsidy rates, and any rates based entirely on adverse facts available (AFA) under section 776 of the Act.

For this final determination, because we are applying total AFA to the Infinite Companies, the only calculated total net countervailable subsidy rate is the rate we have determined for the Hamico Companies. Therefore, for the all others rate, we are using the Hamico Companies' rate.

As a result of our Preliminary Determination and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from Vietnam which were entered or withdrawn from warehouse, for

consumption on or after June 4, 2012, the date of the publication of the Preliminary Determination in the Federal Register. Subsequently, as a result of our Preliminary Critical Circumstances Determination,<sup>9</sup> we instructed CBP to suspend liquidation of all entries of subject merchandise from “all other” exporters of garment hangers from Vietnam which were entered or withdrawn from warehouse, for consumption on or after March 6, 2012, which is 90 days prior to the date of publication in the Federal Register of the Preliminary Determination.

In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after October 2, 2012, but to continue the suspension of liquidation of all entries from June 4, 2012, through October 1, 2012.

If the International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a CVD order and reinstate the suspension of liquidation under section 706(a) of the Act and will require a cash deposit of estimated CVDs for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

#### ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it

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<sup>9</sup> See Steel Wire Garment Hangers from the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Critical Circumstances, 77 FR 73430 (December 10, 2012) (Preliminary Critical Circumstances Determination).

will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Import Administration.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

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Paul Piquado  
Assistant Secretary  
for Import Administration

December 17, 2012 \_\_\_\_\_  
Date

## APPENDIX

### List of Comments and Issues in the Decision Memorandum

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| Comment 1: | Whether the Department Should Assign a Rate Based on Total Adverse Facts Available to the Infinite Companies                          |
| Comment 2: | Whether Land Leased by SEA Hamcio Provided Countervailable Benefits to Hamico Companies   |
| Comment 3: | Whether Unpaid Annual Rent on Land Leased by SEA Hamico and Used by Linh Sa Provided Countervailable Benefits to the Hamico Companies |
| Comment 4: | Whether Export Loans from VietinBank Provide a Government Financial Contribution  |
| Comment 5: | Whether Import Duty Exemption or Reimbursements for Raw Materials are Countervailable   |
| Comment 6: | Whether the Department Should Find the Newly Discovered Interest Support Program Countervailable                                      |